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408.278.4040

TEXAS
8911 Capital of Texas Highway
Suite 4150
Austin, TX  78759
512.628.9320
Patent Prosecution Highway – Agenda

• Define The PPH
• Where The PPH Can Be Used
• When And How To Use The PPH
• Experience Statistics
• Why And Why Not To Use The PPH
• Example Strategies
• Define The PPH
• Where The PPH Can Be Used
• When And How To Use The PPH
• Experience Statistics
• Why And Why Not To Use The PPH
• Example Strategies
Patent Prosecution Highway – Defined

- The PPH is defined in a series of bilateral agreements. (see http://www.uspto.gov/patents/init_events/pph/index.jsp)

- The PPH leverages fast-track examination procedures already available in various patent offices to accelerate examination in an OSF when the companion application in an OFF has at least one claim indicated as allowable.
- Standard PPH
- Also available where the searching or examining authority of a PCT application indicates allowability of at least one claim.
- There is a new PPH program where OFF is replaced with OEE and OSF is replaced with OLE.

  - OFF – Office of First Filing
  - OSF – Office of Second Filing
  - OEE – Office of Earlier Examination
  - OLE – Office of Later Examination
Patent Prosecution Highway – Agenda

- Define The PPH
- **Where The PPH Can Be Used**
- When And How To Use The PPH
- Experience Statistics
- Why And Why Not To Use The PPH
- Example Strategies
## PPH Programs With USPTO

<table>
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<td>Iceland</td>
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As of January 23, 2012
PCT-PPH Programs With USPTO

Australia
Austria
China
European Patent Office
Finland
Japan
Korea
Nordic Patent Institute
Russia
Spain
Sweden
Taiwan
United Kingdom

As of January 23, 2012
PPH Mottainai embraces the notion that an allowance should not go to waste.

Through PPH Mottainai, an allowance obtained in an OEE can be used to obtain PPH treatment in another PPH Mottainai participating office where examination has not commenced.

The PPH Mottainai participating offices are:

- Australia
- Canada
- Finland
- Japan
- Russia
- Spain
- The United Kingdom
- The United States

As of September 23, 2011
Patent Prosecution Highway - Illustration

As of 1st of December, 2011

Courtesy of JPO
Patent Prosecution Highway – Agenda

- Define The PPH
- Where The PPH Can Be Used
- **When And How To Use The PPH**
- Experience Statistics
- Why And Why Not To Use The PPH
- Example Strategies
When examination has not commenced in an OSF/OLE:

• An applicant receiving an allowability determination from a participating OFF/OEE may request accelerated examination of sufficiently corresponding claims in another participating OSF/OLE.

• The corresponding application(s) need not have been filed yet.

• Where a PCT search or examination report is prepared by a participating PCT-PPH office (e.g., USPTO, JPO, EPO, KPO) indicating allowability of at least one claim, PPH treatment may be requested with regard to national stage applications in PCT-PPH participating offices.

• In the US, if priority is not direct, but does intersect with an allowed application, it may still be possible to request PPH treatment.
Patent Prosecution Highway – “Sufficiently Correspond”

• Some or all of the claims in the PPH target (OSF/OLE) office must “sufficiently correspond” to the allowed claims in the OFF/OEE.
• Can be tricky, especially between the JPO and USPTO.
• Can make changes to claims to comport with OSF/OLE practice.
• Can add dependent claims, so long as they are supported by the application as filed.
• However, cannot add claims in a different category than the allowed claims.
• Generally, in the US if you are pursuing narrower coverage than allowed in the OFF/OEE, the narrower limitations must be presented in dependent form first. Other jurisdictions may allow the narrower limitations in the independent claims.
  • If independent claim is then rejected but the dependent claim with the added narrower limitation(s) is allowed, the narrowing limitation(s) can then be incorporated into the independent claim.
The Patent Prosecution Highway – Example Illustrations

Case 1: OSF (Office B) provides the examination result to the OFF (Office A).

Case 2: OFF is other than Office A or Office B.

Patent Prosecution Highway – Eligibility

- OFF/OEE must have a PPH agreement in place with the OSF/OLE
- OSF application claims priority from OFF application or the priority claims between the OFF/OEE and OSF/OLE application intersect (e.g., common priority claims to a PCT application, a national application, or other PCT or Paris Convention priority claim)
- OFF/OEE application has at least one allowed claim
- All claims in OSF/OLE application correspond (may be amended to correspond) to allowed claims in OFF/OEE application
- OSF/OLE application not yet examined (note: this could be a newly filed continuation or divisional application)

- OFF – Office of First Filing  
- OSF – Office of Second Filing  
- OEE – Office of Earlier Examination  
- OLE – Office of Later Examination
The US has PPH-Monttainai agreements with the UK, Canada, and Australia. However, the UK, Canada, and Australia do not have PPH-Monttainai agreements with one another.

By following the map of PPH agreements, it is possible to indirectly invoke PPH treatment in another country where there is no PPH agreement in place.

The same idea applies to standard PPH, but you need to keep in mind and may need to adjust your filing strategy to account for the Office of First Filing.

- For example, substitute Mexico for Australia and the above scenario would still work. (Mexico is standard PPH with the US and has no agreements with Canada or the UK).
The request in the United States:

- synchronize the claims in the office where PPH treatment is desired (OSF/OLE) with the allowed claims in the OFF/OEE
- copy of allowed claims and translation
- claims correspondence table between allowed claims in OFF/OEE and claims in OSF/OLE
- copy of all office actions in OFF/OEE and translation (if not in English)
- IDS listing references cited in OFF/OEE
- Explanation of PPH eligibility where the link between the OFF/OEE and the OSF/OLE is not direct (e.g., intervening PCT application or continuation)
No petition fee!

As of May 25, 2010
Patent Prosecution Highway – Agenda

• Define The PPH
• Where The PPH Can Be Used
• When And How To Use The PPH
• Experience Statistics
• Why And Why Not To Use The PPH
• Example Strategies
## Patent Prosecution Highway – Number of National PPH Requests

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Courtesy of JPO  As of December 31, 2010 (PCT-PPH requests total 2,323 through June 30, 2011)

Copyright © 2009 Schwegman Lundberg & Woessner, P.A.
### Patent Prosecution Highway – Prosecution Experience

**Period:** July – December 2010

<table>
<thead>
<tr>
<th>OSF via National PPH Paths</th>
<th>PCT-PPH OSF</th>
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<tbody>
<tr>
<td>Grant Rate (%)</td>
<td>73.1 (56.7)</td>
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<tr>
<td>First Action Allowance Rate (%)</td>
<td>15 (8.9)</td>
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<td>Average Pendency from PPH Request to First Office Action (month)</td>
<td>2 (29.0)</td>
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<td>Average Pendency from PPH Request to Final Decision (month)</td>
<td>8.2 (35.1)</td>
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<td>Average Number of Office Actions</td>
<td>1.21 (1.17)</td>
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- Between July and December 2010:
  - 100% of accepted PCT-PPH requests made to the USPTO were granted patents.
  - 76% of the PCT-PPH requests were allowed on first action by the USPTO.
  - The average pendency from USPTO receipt of a PCT-PPH request to allowance was 4.7 months with an average of 1.17 Office Actions.

### United States to Japan Top Users*

<table>
<thead>
<tr>
<th>Ranking</th>
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<tr>
<td>1</td>
<td>Microsoft Corporation</td>
</tr>
<tr>
<td>2</td>
<td>International Business Machines Corporation</td>
</tr>
<tr>
<td>3</td>
<td>General Electric Company</td>
</tr>
<tr>
<td>4</td>
<td>SanDisk Corporation</td>
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<tr>
<td>5</td>
<td>Apple Incorporated</td>
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<tr>
<td>6</td>
<td>Xerox Corporation</td>
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<td>7</td>
<td>Honda Motor Corporation Limited</td>
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<tr>
<td>8</td>
<td>Altera Corporation</td>
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<td>Cree Incorporated</td>
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</table>

*As of December 2010

### United States to Korea Top Users*

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<td>Microsoft Corporation</td>
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<td>2</td>
<td>SanDisk Corporation</td>
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<tr>
<td>3</td>
<td>Qualcomm Incorporated</td>
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<tr>
<td>4</td>
<td>Google Inc.</td>
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<td>Frito-Lay North America, Inc.</td>
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<tr>
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<td>Apple Inc.</td>
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<td>Graftech International Holdings Inc.</td>
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<td>GE Healthcare Ltd</td>
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<td>10</td>
<td>Novinium, Inc.</td>
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</table>

*As of December 2010

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*As of December 2010

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*As of December 2010
Patent Prosecution Highway – Agenda

• Define The PPH
• Where The PPH Can Be Used
• When And How To Use The PPH
• Experience Statistics
• **Why And Why Not To Use The PPH**
• Example Strategies
Why Use the PPH?
Patent Prosecution Highway – PPH Benefits

- Expedite prosecution of claims toward patentability (≤ 36 Months)
- Decrease prosecution costs by reducing the number of Office Actions (~25+% savings possible)
- Compact prosecution
- Similar file histories in all jurisdictions
- Quicker patentability determinations
- Particularly attractive to rapidly evolving industries
- Obtain one patent quickly and pursue additional coverage via one or more continuing application
Why Not to Use the PPH?
Patent Prosecution Highway – PPH Confounds

• Use of the PPH will likely result in no Patent Term Adjustment benefit, meaning the patent may expire sooner.

• Generally, less searching is performed in jurisdictions where the application is treated under the PPH. Less searching typically results in fewer references being considered.

• Use of the PPH reduces options for handling later identified references that should be considered during prosecution. A later identified reference may require reexamination to have the reference considered.

• With a pending US application not subjected to the PPH in the same family as a patent obtained quickly via PPH may lead to an obvious-type double patenting rejection forcing a terminal disclaimer and thereby defeating an attempt to benefit from Patent Term Adjustment.
Patent Prosecution Highway – Agenda

• Define The PPH
• Where The PPH Can Be Used
• When And How To Use The PPH
• Experience Statistics
• Why And Why Not To Use The PPH
• Example Strategies
Strategies for Utilizing the PPH
Patent Prosecution Highway – Filing Strategies

- There are many different ways to leverage the PPH to achieve different goals.

- The next few slides illustrate first a common non-PPH filing strategy followed by a strategy illustration that can be utilized to lower costs and expedite the patenting process in multiple jurisdictions.

- The last slide illustrates a strategy to utilize the PPH for purposes of accelerating examination to obtain a US patent quickly.

- While these PPH strategy illustrations do not guarantee lower costs or expedited patenting, so long as the initially filed PCT claims are drafted with acceleration in mind, cost savings are likely.

- If you still desire broader claim coverage, so long as the specification provides support for broader claims, you can file a continuation or divisional application to the broader claims.
**Example Non-PPH Filing Strategy**

Provisional ($920)

- US Non-Provisional
  - 12 M ($10,890)

- PCT
  - 12 M ($5344)

- Japan National Stage
  - 30 M ($10,000)

- EPO National Stage
  - 30 M ($10,000)

Assume 2 Actions in Japan
- OA Instructions and Response ($6500)
- Allowance ($1000) At least 48 M

Assume 2 Actions in Europe
- OA Instructions and Response ($6800)
- Allowance ($3000) At least 48 M

Assume 3 Actions in US and an RCE
- FOA Response w/ RCE ($3800)
- NFOA Response ($3000)
- Allowance ($2250) 50 M – 65+ M

- 36 M – 48 M
- 42 M – 57 M

$79,804 base line of costs with the following illustrations.

None of US, EP, or JP patents likely to issue within 48 months.

**PPH Time to National Stage allowance ca. 12+ M ≤ 30 M**

**Non-PPH Time to National Stage Allowance in US – add ca. 24 Months?**

At this point allowed claims.  
c.a. 12 M ≤ 30 M

1.17 Actions per PCT-PPH Application in the US

- US National Stage
- NFOA Response
- Allowance

0.56 Actions per PCT-PPH Application in Japan

- Japan National Stage
- OA Instruction Letter and Associate Response
- Allowance

1.00 Actions per PCT-PPH Application in Europe

- EPO National Stage
- OA Instruction Letter and Associate Response
- Allowance

**30% Partially Favorable ISR/WO**

**5% All Claims Allowable (NIS/IA)**

(EPO as ISA)

PCT and National Stage Filings $36,234

Article 34 Response and Demand ($3,206 + $600 Prelim. Exam Fee) $3,806

US Prosecution averaging 1.17 action responses at $3,000/response $3,510

US PPH Request $1,500

JP Prosecution averaging 0.56 action responses at $2,500 per SLW instruction letter at $4,000 per JP Associate fee $3,640

JP PPH Request $2,000

JP PCT prosecution document translation (high estimate) $1,000

EP Prosecution averaging 1 action response at $2,500 per SLW instruction letter at $4,300 per EP Associate fee $6,800

Subtract EP National Stage Arguments and Amendments ($2,500 SLW + $6,800 $4,300 EP Associate Fee saved as not needed since allowed) $4,000

EP PPH Request $2,000

Allowance/Registration Costs $6,250

**$19,864 savings ($23,670 w/favorable ISR) per PCT family and US, EP, and JP patents likely issued within 36 months.**

(Ignoring Annuities and IDS Costs)

No Claims allowed. Claims can be amended to overcome the rejections if necessary and arguments submitted in EPO.

- **PCT**
- **ISR & Written Opinion** ≤ 9 M
- **Article 34 Amendment & Response** + ≤ 3 M 9 M ≤ 12 M
- **International Preliminary Report on Patentability** + ≤ 8 M 12 M ≤ 20 M

**US National Stage**
- Assume 1.5 Actions in US
- NFOA Response
- Allowance

**Japan National Stage**
- Assume 1.5 Actions in Japan
- OA Instruction Letter and Associate Response
- Allowance

**EPO National Stage w/ arguments**
- Assume 1.5 Actions in Europe
- OA Instruction Letter and Associate Response
- Allowance

**Time to Allowance ca. 36 M – 50 M**

---

**PCT and National Stage Filings**

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<th>Cost (USD)</th>
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**Total** $70,740

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$9,064 savings per PCT family and US, EP, and JP patents likely issued in 36 – 50 months.

1. **PCT**
2. **ISR & Written Opinion**
   - ≤ 9 M
3. **Article 34 Amendment & Response**
   - + ≤ 3 M
   - 9 M ≤ 12 M
4. **International Preliminary Report on Patentability**
   - + ≤ 8 M
   - 12 M ≤ 20 M
5. **Abandonment**

**Provisional Only Prep, docketing, filing fees**: $700

**Provisional Filing Fee**: $220

**US Prosecution averaging 3 action responses including an RCE**
- at $3,000 per response and $800 RCE fee: $9,800

**JP Prosecution averaging 2 action responses at $2,500 per SLW instruction letter at $4,000 per JP Associate fee**: $13,000

**EP Prosecution averaging 2 action responses at $2,500 per SLW instruction letter at $4,300 per EP Associate fee**: $13,600

**US National Stage ($1,090 Filing Fee + $500 SLW)**: $1,590

**JP National Stage and Translation ($6,000 JP Associate, Filing Fee, & Translation + $3,000 Exam Request Fee + $500 SLW)**: $9,500

**EP National Stage + Amendments and Arguments ($6,500 filing fee + $2,500 SLW + $4,300 EP Associate)**: $13,300

**Allowance/Registration Costs**: $6,250

**Less PCT Fees ($3,000 Art. 34 Amendments + $500 Preliminary Examination Fee + $206 Handling Fee)**: $3,806

**Total Savings**:
- **$64,134 Savings**
- (Ignoring Annuities and IDS Costs)
### PPH Strategy Proposal – Cost Saving Per 100 Matters

For 100 cases filed, the following savings can be realized over the illustrated common non-PPH filing strategy:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% IPRP Allowable Claims</td>
<td>$198,640</td>
</tr>
<tr>
<td>80% IPRP No Allowable Claims but file NS</td>
<td>$725,120</td>
</tr>
<tr>
<td>10% IPRP No Allowable Claims and Abandon</td>
<td>$641,540</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,565,300</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>20% IPRP Allowable Claims</td>
<td>$397,280</td>
</tr>
<tr>
<td>70% IPRP No Allowable Claims but file NS</td>
<td>$634,480</td>
</tr>
<tr>
<td>10% IPRP No Allowable Claims and Abandon</td>
<td>$641,540</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,673,300</strong></td>
</tr>
</tbody>
</table>

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<th>Description</th>
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<tbody>
<tr>
<td>20% IPRP Allowable Claims</td>
<td>$397,280</td>
</tr>
<tr>
<td>75% IPRP No Allowable Claims but file NS</td>
<td>$679,800</td>
</tr>
<tr>
<td>5% IPRP No Allowable Claims and Abandon</td>
<td>$320,770</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,397,850</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% IPRP Allowable Claims</td>
<td>$595,920</td>
</tr>
<tr>
<td>60% IPRP No Allowable Claims but file NS</td>
<td>$543,840</td>
</tr>
<tr>
<td>10% IPRP No Allowable Claims and Abandon</td>
<td>$641,540</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,781,300</strong></td>
</tr>
</tbody>
</table>
If PCT-PPH is utilized, but nationalized only in the US, there is at least a $1,557 premium. But the case is allowed within 36 M if the IPRP is favorable and likely within 48 months if IPRP is unfavorable. Also, filing PCT preserves the option to nationalize in other countries.
Significant Overall Cost Difference

• For US, EP, JP strategy:
  • ~25% Reduction in overall family cost
    (assuming ~$20K saved per Family, likely even more)

• If Favorable ISR/WO, then no Ch. II (Art. 34 + Demand)
  (Additional $3,806 Saved per Family)

• IDS Costs and Associated Risks are also Avoided

• Compact Prosecution

• Similar File History in All Jurisdictions
Attorney drafting time represents less than 10% of the total family cost, assuming ~$7.5K of initial drafting.

- $2k savings per case would be less than 3% of the total

But, the quality of the attorney’s search and claims will dominate the course of prosecution

- Favorable ISR/WO at CH. 1?
- Art. 34 + demand for allowable claims at CH. 2?
- Abandon?
- Questionable validity?
- Drafter aware of international drafting considerations for EPO, JP, AU, CN?
What Role does Drafting Play?

- Validity will strongly depend on search quality and the resulting claims drafted in view of the search.

- Under the PPH, you likely only get a single search by an examiner, such as by the international search authority (ISA) for a PCT matter.

- Drafting errors undermine savings, resulting in higher abandonment rates and no advancement of prosecution in the international phase. Such Errors also Lead to Potential Invalidity.

- If the drafter fails to understand the state of the art, or fails to draft in view of international considerations, the ISA may not save them.
Patent Prosecution Highway – Summary

• Define The PPH
• Where The PPH Can Be Used
• When And How To Use The PPH
• Experience Statistics
• Why And Why Not To Use The PPH
• Example Strategies
While conceptually PPH is easy to appreciate, developing a strategy to leverage the PPH can be complex and does not involve simply choosing a PPH menu option if it is to be used strategically to obtain optimal results for your organization.

However, the various forms of PPH provide interesting options for obtaining patents quickly with opportunities for significant cost savings.

At the same time, application workup through prior art searching and quality claim and specification drafting are key to fully realizing the benefits of the PPH.